

AGENDA
ITEM
NO. 9.f

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION
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KATE McKENNA, AICP
Executive Officer

DATE: June 28, 2010
TO: Chair and Members of the Formation Commission
FROM: Kate McKenna, AICP, Executive Officer
SUBJECT: AUDIT SERVICES

SUMMARY OF RECOMMENDATIONS:

The Budget and Finance Committee recommends that the Commission direct the Executive Officer to enter into an Agreement (Attachment 1) with Bianchi, Kasavan & Pope, LLP, Certified Public Accountants, to provide audit services for fiscal years ending June 30, 2010, 2011, and 2012 with the option to extend the Agreement for one additional year (2013).

EXECUTIVE OFFICER'S REPORT:

Background

As an independent public agency, the practice of LAFCO of Monterey County is to undertake annual financial audits. It is also standard practice to periodically review all services. A Request for Proposal process was conducted this year for audit services, under the review of the Budget and Finance Committee. One qualified response was received, considered and recommended for approval by the Committee on April 20.

Discussion

Bianchi, Kasavan & Pope LLP of Salinas responded with a proposal that meets all budget, scheduling and content requirements. The proposal includes a discounted fee for the initial audit year, in order to stay within the budget stated in the Request for Proposals. The proposal includes a slight increase in costs for each of the three subsequent fiscal years. Copies of the proposal are available upon request.

This reputable firm has prepared four annual audits for LAFCO of Monterey County, and has an excellent working relationship with Hayashi & Wayland, the CPA firm that provides our accounting and financial services.

Fiscal Impact

Funds are available in the current year budget for the initial audit to be prepared under the new Agreement.

Alternatives

Instead of approving the Agreement, the Commission could direct the Executive Officer to negotiate different terms or to re-issue the Request for Proposals.

Respectfully Submitted,

Kate McKenna, AICP
Executive Officer

Attachment 1 – Agreement

cc: Karen Campbell
Mike Briley